

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Balance Sheet
As of 12/31/2005

2/2/2006

	As of <u>12-31-05</u>	As of <u>6-30-05</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 613,566,577	\$ 604,847,705
INTERNATIONAL EQUITIES	391,878,696	399,906,454
DOMESTIC FIXED INCOME	296,491,944	201,123,853
INTERNATIONAL FIXED INCOME	75,607,959	71,304,366
REAL ESTATE	154,239,386	139,039,070
VENTURE CAPITAL	64,971,870	62,572,727
INVESTED CASH (NOTE 1)	<u>22,456,883</u>	<u>28,950,655</u>
 TOTAL INVESTMENTS	 1,619,213,315	 1,507,744,830
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	7,165,342	8,109,864
CONTRIBUTIONS RECEIVABLE	0	7,403,583
MISCELLANEOUS RECEIVABLE	<u>2,565</u>	<u>0</u>
 TOTAL RECEIVABLES	 7,167,907	 15,513,447
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	8,326,009	8,648,006
DUE FROM OTHER AGENCIES (NOTE 3)	<u>6,708</u>	<u>20,170</u>
 TOTAL ASSETS	 <u>\$ 1,634,713,939</u>	 <u>\$ 1,531,926,453</u>
 LIABILITIES:		
ACCOUNTS PAYABLE	1,414,912	1,414,912
ACCRUED EXPENSES	314,396	284,129
DUE TO OTHER AGENCIES (NOTE 4)	<u>0</u>	<u>32,985</u>
 TOTAL LIABILITIES	 1,729,308	 1,732,026
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,530,194,427	1,374,679,677
CASH IN DURING YEAR (NOTE 5)	64,303,000	134,163,000
CASH OUT DURING YEAR (NOTE 6)	64,303,000	134,163,000
NET INCREASE (DECREASE)	<u>102,790,204</u>	<u>155,514,750</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,632,984,631</u>	 <u>1,530,194,427</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,634,713,939</u>	 <u>\$ 1,531,926,453</u>

2/2/2006

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 12/31/2005

	Month Ended <u>12-31-05</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 3,987,113	\$ 18,406,261
SECURITIES LENDING INCOME	388,581	1,953,801
	<u>4,375,694</u>	<u>20,360,062</u>
GAIN ON SALE OF INVESTMENTS	30,234,329	135,906,282
LOSS ON SALE OF INVESTMENTS	<u>4,444,711</u>	<u>37,391,238</u>
NET GAINS (LOSSES) INVESTMENTS	25,789,618	98,515,044
INVESTMENT EXPENSES	268,550	3,068,991
SECURITIES LENDING EXPENSES	367,916	1,813,214
SIB ADMINISTRATIVE EXPENSES	<u>9,382</u>	<u>64,084</u>
NET INVESTMENT INCOME	29,519,464	113,928,817
NET APPREC (DEPREC) MARKET VALUE	1,994,031	16,763,265
MISCELLANEOUS INCOME/(EXPENSE)	<u>(662)</u>	<u>(276,482)</u>
TOTAL INVESTMENT INCOME	31,512,833	130,415,600
CONTRIBUTIONS & ASSESSMENTS (NOTE 7)	5,672,831	18,979,500
PURCHASED SERVICE CREDIT (NOTE 8)	200,032	1,331,297
PENALTY & INTEREST (NOTE 9)	<u>1,344</u>	<u>1,974</u>
TOTAL ADDITIONS	<u>37,387,040</u>	<u>150,728,371</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 10)	7,566,394	45,617,882
PARTIAL LUMP SUM BENEFITS PAID	0	21,045
REFUNDS TO MEMBER (NOTE 11)	<u>250,532</u>	<u>1,386,511</u>
TOTAL BENEFITS PAID	7,816,926	47,025,438
ADMINISTRATIVE EXPENSES		
RIO ADMINISTRATIVE CHARGE	105,082	912,729
MISCELLANEOUS EXPENSES	<u>0</u>	<u>0</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>105,082</u>	<u>912,729</u>
TOTAL DEDUCTIONS	<u>7,922,008</u>	<u>47,938,167</u>
NET INCREASE (DECREASE)	<u>\$ 29,465,032</u>	<u>\$ 102,790,204</u>

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
December 31, 2005

2/2/2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 DUE TO OTHER AGENCIES

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6 CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 7 CONTRIBUTIONS

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 8 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

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Notes to Financial Statements
12/31/2005

2/2/2006

NOTE 9 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 10 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 11 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.